

DEPARTMENT OF THE ARMY U.S. ARMY ENGINEER DISTRICT, ALASKA REGULATORY DIVISION 805 FRONTAGE ROAD, SUITE 200C KENAI, ALASKA 99611-7755

April 11, 2011

Regulatory Division POA-2003-803

Mr. Ken Taylor Vice President - Environment Pebble Limited Partnership 3201 C Street, Suite 604 Anchorage, Alaska 99503

Dear Mr. Taylor:

We have received your April 20, 2010, and January 26, 2011, Department of the Army (DA) applications to conduct exploratory drilling activities on the Pebble property in 2010 and 2011. The Pebble property is located in Townships 2, 3, 4, and 5 S., Ranges 34, 35, 36, and 37 W., Seward Meridian; Latitude 59.8741° N., Longitude 155.2874° W.; northwest of Iliamna, Alaska. It has been assigned number POA-2003-803, Koktuli River, which should be referred to in all correspondence with us.

Based on our review of the information you provided and available to our office, we are unable to determine if your proposed project would involve placement of dredged and/or fill material into waters of the United States (U.S.) under our regulatory jurisdiction.

As we discussed in our March 18, 2011, phone conversation with Mr. Gernot Wober and Mr. Jeff Norberg of Pebble Limited Partnership (PLP), and Mr. David Dorris of David Dorris & Associates, Consulting, if you would like us to begin evaluation of your proposal, more information is essential for the applications to be considered complete. Please provide the following:

- a. List the maximum volume, in cubic yards, of dredged or fill material that would be placed in wetlands or other waters at each site type. This information must be provided for each type of exploratory activity, i.e. geologic (diamond) bore hole, hydrologic/geotechnical bore hole, seismic line, shallow soils test pit;
- b. List the maximum surface area of wetlands or other waters to be filled at each site type. This information must be provided for each type of exploratory activity, i.e. geologic (diamond) bore hole, hydrologic/geotechnical bore hole, seismic line, shallow soils test pit;
 - c. List the surface area and volume;
 - d. Provide the location of each exploratory site;
- e. Provide a delineation of all waters of the U.S., including wetlands for each exploratory site. You must provide delineations of all waters of the U.S. if you wish us to make approved jurisdictional determinations. Alternatively, you may provide us with sufficient information to preliminarily determine if wetlands and other waters occur at each exploratory site; and,

f. Provide typical plan and elevation drawings for each site type. This information must be provided for each type of exploratory activity, i.e. geologic (diamond) bore hole, hydrologic/geotechnical bore hole, seismic line, shallow soils test pit. To ensure completeness before re-submittal, you should refer to the sample drawing on our website at http://www.poa.usace.army.mil/reg/PermitApp.htm. The importance of clear drawings cannot be overemphasized.

Upon receipt of the requested information we will begin evaluating your application. If we do not receive the information within 30 days of the date of this letter, we will close your file.

Rather than providing the information requested above, PLP may elect to withdraw one or both of the permit applications. In the cover letters of your applications, dated April 20, 2010 and January 26, 2011, you stated that you believe your project qualifies for Nationwide Permit (NWP) 6, Survey Activities. As you correctly state, NWP 6 is a non-notifying permit. A non-notifying nationwide permit is a general permit for which an applicant is not required to apply for, nor receive, written verification that a proposed project meets the terms and conditions of the permit. Regardless of whether written verification is received from us, PLP is still required to comply with all terms and conditions of the NWP 6 while conducting exploratory activities. PLP conducted exploratory activities in 2010 without written DA NWP verification. This action was appropriate provided PLP complied with all terms and conditions of NWP 6.

Your proposed project may be subject to review under the Alaska Coastal Management Program (ACMP). If you have not already contacted the Alaska Department of Natural Resources, Division of Coastal and Ocean Management (DCOM), please contact them regarding the potential need to submit a Coastal Project Questionnaire. DCOM can be reached at (907) 269-7470 (by e-mail: dnr.dcompraanc@alaska.gov) for projects in Southcentral and Northern Alaska. The agencies on the attached list will be provided a copy of this letter.

You may contact me at via email at Katherine.a.mccafferty@usace.army.mil, by mail at the address above, by phone at (907) 283-3519, or by FAX at (907) 283-3981, if you have questions. For additional information about our Regulatory Program, visit our web site at www.poa.usace.army.mil/reg.

Sincerely,

Katherine A. McCafferty

Katherine A. McCafferty

Project Manager

Enclosure

ADEC: Sean.Palmer@alaska.gov

ADF&G-DH (Kenai R. Center): OHMPKRC@borough.kenai.ak.us

ADNR-DCOM, Anchorage: Dnr.dcompraanc@alaska.gov

ADNR-DCOM: Melinda.smodey@alaska.gov ADNR-DMLW: Michael.walton@alaska.gov ADNR-DMLW: dnr.scro.dcom.cor@alaska.gov

SHPO-ADNR Office of History and Archaeology: oha.revcomp@alaska.gov

EPA: AOOARU.R10@epamail.epa.gov

NMFS, Anchorage: HCD.Anchorage@noaa.gov USFWS, Kenai: R7_Kenai_Fish_Comment@fws.gov

ADNR-DMLW: Linda.Books@alaska.gov ADEC: allan.nakanishi@alaska.gov ADNR-DCOM: Melinda.smodey@alaska.gov

Gernot Wober, PLP: gernotwober@pebblepartnership.com

Charlotte MacCay, PLP: charlottemaccay@pebblepartnership.com

David Dorris, David Dorris & Associates, Consulting: jddorris@alaskalife.net